



10-Minute Supervisor Trainings

Kentucky Soil and Water Conservation Commission

February 2015

CREATING A DISTRICT BUDGET

Conservation District Supervisors have a fiscal responsibility in securing adequate funding from such sources as county general funds, millage taxes, and state Direct Aid contributions and grants. In order to properly manage those funds in a responsible manner, each year districts need to plan their activities and how to fund those activities by creating a budget.

Why do districts create a budget?

According to KRS 65.065,

- All district board must create a budget
- No money can be spent from a budget until it is filed with fiscal court
- If it isn't filed 30 days prior to the start of the year, fiscal court will notify the county attorney who will then notify the board and proceed with any steps necessary to prevent the expenditure of funds.



How do districts fund their budget?

According to KRS 262.200, Kentucky's Conservation District Law, there are means by which conservation district programs are financed through fiscal courts. Conservation District Boards may:

- Request annual operating funds from fiscal court
- Present the previous year's operation, Long Range Plan, and an Annual Plan of Work.

If the fiscal court fails to approve a request of funding, the fiscal court should give the conservation district a list of specific objection and suggested corrections. The board should submit a revised budget request.

Funds for an approved budget will be supplied from either general funds or a millage tax. The tax will be on all real property within the county boundaries.

EFFECTIVE STEPS TO PREPARING A DISTRICT WORKING BUDGET

1. Chairman appoints budget committee (January/February), including district treasurer, with assistance from your field representative.
2. Budget Committee meet (February) to Review/Compare supporting records to build district budget including:
 - Previous years financial report (for actual spending trends)
 - Previous years budget and budget revisions.
 - Quicken/Quickbooks transaction & itemized category reports for current year spending comparison.
 - Direction of district's annual plan/long range plan .
3. After review of supporting documents determine what funds are needed, whether funds are attainable and whether expenditures are appropriate.
4. After Budget Committee develops budget recommendations then present to district board for full board review and approval (March).
5. Full board ensures budget will reflect and incorporate districts long range planning
6. Budget is then presented to the fiscal court.

FIVE FACTS:

1. Law mandates submission of annual budget for Conservation Districts.
2. Conservation District budgets are due to Fiscal Court and Division of Conservation prior to April 1.
3. Prepare your budget in conjunction with your district's annual plan
4. Review your district's fiscal year budget at least quarterly and revise as needed.
5. Submit revised budgets to Fiscal Court and Division of Conservation.

DISCUSSION QUESTIONS:

1. What are the key components for a good, working budget? Does your budget include those?
2. Why is it necessary to revise budgets all throughout the year?
3. How could conservation districts explain their budget if fiscal court had questions?